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TAGS: [AORC](#) [PARM](#) [MNUC](#) [TGRY](#) [KNPP](#) [KN](#) [SY](#) [IR](#)

SUBJECT: IAEA: U/S BURNS DISCUSSIONS WITH DG ELBARADEI

REF: PAPPAS-VONBEHREN EMAIL 6/19

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

**¶11.** (S) Summary: IAEA DG ElBaradei told U/S Burns June 23 that he would encourage Iran to take advantage of the P5 1 offer. ElBaradei focused almost exclusively on the freeze element of the P5 1 way forward paper, in the hope that it would help re-start negotiations. U/S Burns cautioned that the freeze was time limited and tied to suspension.

ElBaradei observed that Iran had been shocked by the May DG report and said the onus is on Iran to come clean. ElBaradei was not optimistic about inspector access in Syria and noted that the IAEA lacked information related to nuclear material.

On DPRK, the DG sought to continue the Agency's verification role on an ad hoc basis. He also raised Reliable Access to Nuclear Fuel (RANF) as a priority issue and assessed that Pakistan was the main hold-out among the G-77. He asked the U.S. to help move the Russian proposal forward and agreed to share a non-paper, provided to the EU, on the NTI-IAEA fuel bank. The DG saw these proposals as complementary, including the German proposal for a multi-lateral fuel center. End Summary.

Iran

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**¶12.** (S) U/S Burns noted that he was in Vienna to attend the Nahr al-Barid reconstruction conference. ElBaradei observed that many Arab countries are sitting on the fence with regard to pledges to help rebuild the camp, and also in terms of pressuring Iran. Turning to the P5 1 offer, he assessed it was a good offer; recalling that he had advocated a freeze for three years, he was pleased that the P5 1 are now considering the option. U/S Burns clarified that the concept of the freeze was time-limited to six weeks and intended to lead directly to suspension. This point did not resonate with the DG who considered that the freeze could provide flexibility and a means for Iran to save face if negotiations begin. ElBaradei advised that he had told Iran's Ambassador to UN organizations in Vienna that Iran should accept the freeze for freeze approach, which he estimated presented few risks to Iran; he also anticipated relaying this message to AEOI President Aqazadeh.

**¶13.** (S) U/S Burns mentioned that the P5 1 awaited Iran's response and ElBaradei expressed the view that given the upcoming domestic elections in the US, Iran may wait out the Administration which he believed was not a good idea. ElBaradei was uncertain that sanctions were having a demonstrable effect in Iran because it was difficult to attribute Iran's deteriorating economy to either directly to sanctions or to the regime's economic mismanagement. U/S Burns complimented ElBaradei on the professionalism of the last report on Iran. ElBaradei stressed that the ball was in Iran's court to resolve the outstanding questions, noting that the Agency had no hidden agenda. The Secretariat

had given Iran the benefit of the doubt and guided the process along, he noted, but it was now Iran's turn to move it forward. Asked whether the report had struck a chord in Iran, the DG admitted that the Iranians had been a bit shocked. He had made it clear that Iran cannot expect a clean bill of health, which the Agency does not give in any case, and cannot expect to be in the clear.

¶6. (S) ElBaradei further complained, as he has previously, that with departure of Larijani from the nuclear file the Iranian government lacked a focal point on nuclear issues. He continues to communicate with Aqazadeh, who has direct contact with Supreme Leader Khamenei, as a channel and indicated that he would call him to get a better sense of the Iranian reaction to the P5 1 offer.

Syria

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¶7. (S) With the IAEA inspection team on the ground in Syria, ElBaradei was expressed doubts about the inspection team's access to additional sites beyond Al-Kibar. He fully expected that they Syrians would continue to claim these were military installations. The DG also noted that the Agency was at a disadvantage since it lacked information about the presence of nuclear material at these sites. ElBaradei wondered whether the Syrian-Israeli talks would change the dynamic in Damascus and encourage it to be more forthcoming. He informed the group that had also encouraged UK Foreign Secretary Miliband to speak to the Syrians on the margins of an upcoming Euro-Med Ministerial. To get the Syrians to come clean, he thought it was important to give them some assurance that they would not be in the doghouse for too long.

DPRK

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¶9. (S) ElBaradei noted the recent developments on the DPRK which could have implications for a renewed IAEA role. He was surprised by the announcement of the public demolition of the reactor cooling tower later this week. The DG confided that he agreed with the US position on the DPRK's withdrawal from the NPT. He said that the European stance (i.e. that DPRK had not withdrawn) as based on a political judgment rather than legal views. (Comment: This is a welcome change from the DG's oral remarks to the June Board in which he asked for clarification of the DPRK's NPT status. End comment).

Reliable Access

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¶10. (S) The DG raised Reliable Access to Nuclear Fuel (RANF) as an important Agency priority. Without RANF, he feared that more countries would pursue domestic enrichment. U/S Burns cited U.S. 123 Agreement with Russia and with Gulf countries. The DG sought to move the Russian proposal for an IAEA fuel reserve at Angarsk forward as something "concrete" on RANF. He believed DFM Kislyak was the sticking point on this issue and asked the U.S. to intervene. U/S Burns noted that RosAtom transitions also complicated matters.

¶11. (C) The DG mentioned that he was speaking to German FM Steinmeier about the NTI fuel bank. Ambassador Schulte noted that Berlin may be mistakenly concerned about the impact of the NTI-IAEA fuel bank on the multilateral German proposal. He encouraged the Agency to develop a concept for the fuel bank. ElBaradei observed that all of these proposals were complementary and the establishment of fuel bank only addressed the first phase of assured supply. The Secretariat had presented a non-paper laying out the concept of the NTI fuel bank to the EU, and at Ambassador Schulte's request, agreed to share it with the U.S. in strict confidence. The DG is concerned about media leaks and G-77 reaction if these proposals are made public.

¶12. (C) The DG claimed to have given the G-77 a "piece of his

mind" on RANF at a lunch the previous week. He stressed to the G-77 that no state was being asked to forgo the right to pursue peaceful nuclear energy and told the group that they could not sit on the fence. The DG identified Pakistan as the main hold-out among the G-77. Ambassador Schulte noted that Pakistan is concerned about multi-lateral enrichment mechanisms, even though the current proposals only discuss establishing fuel reserves under Phase 1. EXPO official Rauf added that even Phase 2 relates to multi-lateralizing commercial enrichment, not military facilities that are Pakistan's concern.

India

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¶13. (C) The DG had nothing new on India. He did not believe the Indian government was prepared to take on the risks to advance the civilian nuclear cooperation agreement and Safeguards agreement forward. The Communists seem to have dug in their heels and made this a psychological standoff over ties to the U.S. Rauf noted that the Indian Mission had called the Secretariat a few days before to ask that they start preparing paperwork to move forward. He also asked about the days remaining in the legislative season. U/S Burns responded that it would be hard but not impossible to do before Congress recessed.

¶14. (U) This cable has been cleared by P staff.

SCHULTE